RA 26-208

RACING AND GAMING COMMISSION[491]

Regulatory Analysis

Notice of Intended Action to be published: 491—Chapter 11
"Gambling Games"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99F.1, 99F.4, 99F.4B, 99F.4D, 99F.7, 99F.7A, 99F.17, and 99F.17A

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99F

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

August 25, 2026 9 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa
August 25, 2026 2 p.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

Purpose and Summary

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026.

Chapter 11 of the Commission's rules establishes base requirements for gambling games that are authorized by the Commission. The chapter authorizes some specific gambling games by rule and provides other parameters for promotional tournaments, table games, and slot machines. The chapter also contains licensing standards and parameters for manufacturer and distributor licensees and applicants.

The proposed rulemaking consolidates, reduces, or eliminates some rules in accordance with Executive Order 10. In addition, the proposed rulemaking includes some new or expanded provisions related to game variations, promotional activities, gambling game tournaments, allowable wagers and payout limitations, and progressive jackpot games. Even with these additions, the proposed rulemaking results in a net reduction in both number of rules and overall word count from the current version of Chapter 11.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

The costs of compliance will be borne by licensees or prospective licensees. These classes of persons are already bearing the costs of compliance with Chapter 11.

- **Classes of persons that will benefit from the proposed rulemaking:**

The proposed rulemaking will continue to provide clarity and set expectations both for licensees and their employees and for players or patrons participating in gambling games. In particular, at least one of the proposed rules (e.g., paragraph 11.6(2)"c") will specifically benefit table game players by prohibiting casinos from imposing payout limits that apply notwithstanding the posted and approved pay tables.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

Portions of the proposed rulemaking may impact specific revenue reporting for licensees. For example, proposed subrule 11.4(3) would require licensees to ensure that approved variations of gambling games theoretically pay out between 80 percent and 100 percent. Similarly, proposed subrule 11.5(2) clarifies that licensees hosting gambling game tournaments must include amounts denominated as a house fee, staff fee, or dealer tip as entry fees.

- **Qualitative description of impact:**

Parts of the proposed rulemaking may limit the types of wagers a casino may accept. For example, proposed paragraph 11.6(2)"d" prohibits a practice colloquially known as back betting, described in the proposed rule as wagers "by individuals not participating in the play of the gambling game" or "on the outcome of another player's participation not specifically authorized" by the approved game structure and game rules.

In addition, proposed paragraph 11.6(10)"d" may affect the types of progressive table games a licensee decides to offer or the frequency with which it offers them because the proposed rule places conditions on when a progressive jackpot may be removed from a progressive table game.

However, proposed rule 491—11.9(99F) significantly reduces and streamlines the required specifications for electronic gaming devices and implements of gambling in comparison to current rule 491—11.10(99F). Revising this rule may prevent the rule and its technical specifications from becoming outdated as gaming technology continues to advance.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

The proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rulemaking is not anticipated to have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 491—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
GAMBLING GAMES

491—11.1(99F) Definitions.

"Administrator" means the administrator of the racing and gaming commission or the administrator's designee.

"Call bets" means the calling out of bets between the time the dice leave the shooter's hand and the time the dice come to rest, not accompanied by the placement of gaming chips.

"Coin" means tokens, nickels, and quarters of legal tender.

"Currency" means any coin or paper money of legal tender and paper forms of cashless wagering.

"Discount rate" means either the current prime rate or a blended rate computed by obtaining quotes for the purchase of qualified investments at least three times per month.

"Facility" means an entity licensed by the commission to conduct gaming operations in Iowa.

"Facility grounds" means all real property utilized by the facility in the conduct of its gaming activity, including the grandstand, concession stands, offices, parking lots, and any other areas under the jurisdiction of the commission.

"Government sponsored enterprise debt instrument" means a negotiable, senior, noncallable debt obligation issued by an agency of the United States or an entity sponsored by an agency of the United States that on the date of funding possesses an issuer credit rating equivalent to the highest investment grade rating given by Standard & Poor's or Moody's Investment Services.

"Implement of gambling" means any device or object determined by the administrator to directly or indirectly influence the outcome of a gambling game, collect wagering information while directly connected to a gambling game, facilitate the operation of an electronic wagering account as defined by rule 491—12.1(99F), or be integral to the conduct of a commission-authorized gambling game.

"Independent financial institution" means a bank approved to do business in the state of Iowa or an insurance company admitted to transact insurance in the state of Iowa with an A.M. Best insurance rating of "A" or other equivalent rating.

"Present value" means the current value of a future payment or series of payments, discounted using the discount rate.

"Qualified investment" means an Iowa state-issued debt instrument, a United States Treasury debt instrument or a government sponsored enterprise debt instrument.

"Qualified prize" means any prize or award that is awarded as part of a gambling game authorized by the commission, that does not relate to any past services performed by the recipient and does not require the recipient to perform any substantial future service, and that is payable through a series of periodic payments.

"Qualified prize option" means an option that entitles an individual to receive a single cash payment in lieu of receiving a qualified prize, or remaining portion thereof, and that is exercisable not later than 60 days after the individual becomes entitled to the qualified prize.

"Reserve" means an account with an independent financial institution or brokerage firm consisting of cash, qualified investments, bond, or other secure funding method approved by the administrator.

"Slot machine" means a mechanical or electronic gambling game device into which a player may deposit currency or forms of cashless wagering and from which certain numbers of credits are awarded when a particular configuration of symbols or events is displayed on the machine.

"Storage media" means EPROMs, ROMs, flash-ROMs, DVDs, CD-ROMs, compact flashes, hard drives and any other types of program storage device.

491—11.2(99F) Conduct of all gambling games.

11.2(1) *Commission policy.* All facilities must conduct gambling games in a manner suitable to protect the public health, safety, morals, good order, and general welfare of the state. Responsibility for employing and maintaining suitable methods of operation rests with the facility. Willful or persistent use or toleration of methods of operation deemed unsuitable in the sole discretion of the commission will constitute grounds for disciplinary action, up to and including license revocation.

11.2(2) *Activities prohibited.* A facility is expressly prohibited from the following activities:

a. Failing to conduct advertising and public relations activities in accordance with decency, dignity, good taste, and honesty.

b. Permitting conduct prohibited by Iowa Code section 99F.15.

c. Failing to comply with or make provision for compliance with all federal, state, and local laws and rules pertaining to the operation of a facility including but not limited to payment of license fees, withholding payroll taxes, and violations of alcoholic beverage laws or regulations.

d. Permitting to remain in or upon the gaming floor or accessible to the gaming public any associated gambling equipment that may have in any manner been marked, tampered with, or otherwise placed in a condition or operated in a manner that might affect the game and its payouts.

e. Permitting, if the facility was or should have been aware of, any cheating.

f. Possessing or permitting to remain in or upon any facility grounds, if the facility was or should have been aware of, any cheating device whatsoever or conducting, carrying on, operating, or dealing any cheating or thieving game or device on the grounds.

g. Possessing or permitting to remain in or upon any facility grounds, if the facility was or should have been aware of, any gambling device that tends to alter the normal random selection of criteria that determines the results of the game or deceives the public in any way.

h. Failing to conduct gaming operations in accordance with proper standards of custom, decorum, and decency or permitting any type of conduct that reflects negatively on the state or acts as a detriment to the gaming industry.

i. Denying a commissioner or commission representative, upon proper and lawful demand, information or access to inspect any portion of the gaming operation.

11.2(3) *Wagers.* Wagers may only be made:

a. By a person present at a facility.

b. In the form of chips, coins, or other cashless wagering.

c. By persons 21 years of age or older.

491—11.3(99F) Approval for distribution, operation, or movement of gambling games and implements of gambling.

11.3(1) *Approval.* Prior to distribution, a distributor must request that the administrator inspect, investigate, and approve a gambling game or implement of gambling for compliance with commission rules and the standards required by a commission-designated independent testing laboratory. The distributor, at its own expense, must provide the administrator and independent testing laboratory with information and product sufficient to determine the integrity and security of the product, including independent testing conducted by a designated testing laboratory. The commission will designate up to two independent testing laboratories for the purpose of certifying electronic gambling games or implements of gambling.

11.3(2) *Trial period.* Prior to or after commission approval and after completing a review of a proposed gambling game, the administrator may require a trial period of up to 180 days to test the gambling game in a facility. During the trial period, minor changes in the operation or design of the gambling game may be made with the administrator's prior approval. During the trial period, a gambling game distributor is not entitled to receive revenue of any kind from the operation of that gambling game.

11.3(3) *Gambling game submissions.* Prior to conducting a commission-authorized gambling game or for a trial period, a facility must submit proposals for game rules, procedures, wagers, shuffling procedures, dealing procedures, cutting procedures, and payout odds including any circumstances resulting in changed odds. The gambling game submission, or requests for modification to an approved submission, must be in writing and approved by the administrator or a commission representative prior to implementation.

11.3(4) *Public notice.* The public must have access to the rules of play, payout schedules, and permitted wagering amounts. Signage must be conspicuously posted on the gaming floor to direct patrons to the gaming floor area where this information can be viewed. All participants in all licensed gambling games are required to know and follow the rules of play. No forms of cheating will be permitted.

11.3(5) *Operation.* Each gambling game must operate and play in accordance with the representation made to the commission and the public at all times. The administrator or commission representative may order the withdrawal of any gambling game suspected of malfunction or misrepresentation, until all deficiencies are corrected. To identify deficiencies to be corrected, the administrator or commission representative may require additional testing by an independent testing laboratory at the expense of the licensee or distributor.

11.3(6) *Distribution, movement and disposal.*

a. Except as otherwise authorized by the administrator, an emailed notice must be filed with the commission when a gambling game or implement of gambling is shipped, moved or disposed of. The written notice should be provided as follows:

(1) At least five calendar days before arrival of a gambling game or implement of gambling at a licensed facility, by the licensed distributor.

(2) At least 24 hours before a gambling game is removed from or disposed of by a licensed facility, with notice provided by the licensed facility or the owner. All methods of disposal for gambling games or implements of gambling are subject to administrator approval.

b. The administrator may approve licensee transfers of gambling games or implements of gambling among subsidiaries of the licensee's parent company.

491—11.4(99F) Gambling games authorized. The commission may approve a gambling game by administrative rule, resolution, or motion.

11.4(1) Craps, roulette, 21 (blackjack), baccarat, big six and poker are authorized as table games. The administrator may approve multiplayer electronic devices simulating these games, subject to rule 491—11.3(99F) and subrule 11.4(3).

11.4(2) Slot machines, video poker, and other video games of chance, both progressive and nonprogressive, are allowed as slot machine games, subject to the administrator's approval of individual slot machine prototypes and game variations.

11.4(3) The administrator may approve variations of approved gambling games and bonus features or progressive wagers associated with approved gambling games, subject to rule 491—11.3(99F). Variations of approved gambling games must theoretically pay out at least 80 percent and pay out no more than 100 percent. Features utilizing a controller or a system linked to gambling games that do not require direct monetary consideration and are not otherwise integrated within a slot machine game theme may be allowed as bonus features. Payouts from these bonus features may be included in winnings for the calculation of wagering tax adjusted gross receipts when the following conditions are met:

a. The only allowable nonmonetary consideration to be expended by a participant is active participation in a gambling game with a bonus feature or use of a player's club card, or both.

b. The actual bonus payout deductible in any month from all qualified system bonuses requiring no additional direct monetary consideration is:

(1) No more than 2 percent of the coin-in for all slot machines linked to any system bonuses for that month if slot machines linked to system bonuses exceed 20 percent of the total number of slot machines;

(2) No more than 3 percent of the coin-in for all slot machines linked to any system bonuses for that month if slot machines linked to system bonuses are less than or equal to 20 percent of the total number of slot machines; or

(3) No more than 3 percent of the amount wagered on the qualifying bets for all table games linked to any system bonus for that month.

c. The probability of winning a system bonus award must be the same for all persons participating in the bonus feature.

11.4(4) Gambling games of chance involving prizes awarded to participants through promotional activities at a facility may be conducted by the licensee providing the following:

a. Rules must be made available to participants for review prior to registering. Rules must include at a minimum all conditions registered players must meet to qualify to enter or participate in the event, available prizes or awards, and distribution of prizes or awards based on specific outcomes.

b. All gambling games are conducted in a fair and honest manner, and all rules are followed. A licensee cannot make changes to rules after participants have registered.

c. Results must be made available for the registered players to review at the same location at which or in the same manner in which players registered. Results include at a minimum name of the event, date of the event, total number of entries, total prize pool, and amount paid for each winning category.

d. No entry fees are permitted.

e. All employees of the facility are prohibited from participation.

f. All monetary payouts for which federal or state tax withholding is required must be treated as W2-G events and are subject to all requirements related to those withholding thresholds.

g. There is compliance with all other applicable federal, state and local laws and rules, including those outside of the commission's direct jurisdiction.

h. Outcomes for gambling games must be determined on the designated gaming floor approved pursuant to 491—subrule 5.6(16) and outcomes immediately or simultaneously displayed by a device or devices on the designated gaming floor.

i. In determining adjusted gross receipts, the facility may consider all nonmonetary consideration expended by a participant, and the nonmonetary consideration must at least equal the value of prizes awarded.

11.4(5) Mechanical devices employing kickers or plates to direct coins, tokens or chips to fall over an edge into a payout hopper may be authorized as gambling games, subject to the following conditions:

a. All devices are subject to rule 491—11.3(99F).

b. Devices must accept no more than one coin, token or chip per play unless otherwise authorized by the administrator.

c. Tokens or chips used in devices must have a value defined by the facility. Each assigned value must be displayed on the device. Values are subject to the administrator's approval.

d. Merchandise, coins, tokens, chips or other legal tender may be added to the device at the discretion of the facility:

(1) Anything of value added to a device must be in accordance with the approval of the device under rule 491—11.3(99F); and

(2) Anything of value added to a device must be documented and documentation retained in accordance with 491—subrule 5.6(13).

e. Any coins, tokens or chips collected by the facility or not returned to individuals wagering on a device must be included as gross receipts for the calculation of wagering tax on adjusted gross receipts:

(1) When a device is removed from play, coins, tokens, chips or other legal tender that were added to the device may be used to offset gross receipts for the calculation of wagering tax on adjusted gross receipts; and

(2) Merchandise or other items of value added to a device cannot be considered in the calculation of wagering tax on adjusted gross receipts.

f. Merchandise, coins, tokens, chips or other legal tender cannot be removed from a device while it remains in operation, except as winnings to an individual from a wager or as the result of internal mechanisms of the device for collecting revenue, approved in accordance with rule 491—11.3(99F).

g. Anything of value in the machine must not be tampered with or adjusted while a device remains in operation, except as required to return a malfunctioning device to operation.

491—11.5(99F) Gambling game-based tournaments.

11.5(1) *Proposals.* Proposals for terms, game rules, entry fees, prizes, dates, and procedures must be submitted in writing and approved by a commission representative before a facility conducts any tournament. Any changes to approved tournaments must be submitted to the commission representative for review and approval prior to being implemented. The written proposal or change must be submitted to a commission representative at least 14 days in advance of the planned activity. Rules, fees, and a schedule of prizes must be made available to the player prior to entry.

11.5(2) *Limits.* Tournaments must be based on gambling games authorized by the commission. Entry fees, less prizes paid, are subject to the wagering tax under Iowa Code section 99F.11. For this rule's purposes, "entry fees" means any amounts collected from participants to enter the tournament, and specifically includes but is not limited to amounts denominated as a house fee, staff fee, or dealer tip. In determining adjusted gross receipts, to the extent that prizes paid out exceed entry fees received, the facility is deemed to have paid the fees for the participants.

11.5(3) *Tournament chips.* Tournament chips used as wagers in table game tournament proposals approved pursuant to this rule must be imprinted with a number representing the value of the chip or must be assigned a value. The assigned value of tournament chips must be conspicuously displayed in the tournament area.

491—11.6(99F) Table game requirements.

11.6(1) *Devices and software.* Devices that determine or affect the outcome of wagers or are used in the collection of wagers on table games are subject to rule 491—11.3(99F) and subrule 11.4(3). Additionally, software used in the conduct of table games is subject to the following requirements:

a. Removable storage media must be sealed with tamper-evident tape by a commission representative prior to implementation.

b. Random number generators must conform to the standards established under rule 491—11.9(99F); however, outcomes generated from the random number generator results may be dependent on previous outcomes in the following circumstances:

(1) When simulating live card games where cards used are not reused until the next hand is dealt or until the multiplayer electronic device performs a shuffle of the simulated cards.

(2) When the random number generator is used in the award of a bonus outcome approved in accordance with subrule 11.4(3). Bonus outcomes that are statistically dependent must employ technology solutions to ensure that continuation from the last outcome is maintained in the event of any malfunction.

11.6(2) *Wagers and payouts.*

a. All wagers at table games are made by placing gaming chips or coins on the appropriate areas of the layout or by making a cashless wager using an approved wagering device.

b. Information pertaining to the minimum and maximum allowed at the table must be posted on the game.

c. Payouts from table games must be made in accordance with the posted and approved pay tables. Limits on payouts cannot be imposed.

d. Wagers by individuals not participating in the play of the gambling game, or wagers on the outcome of another player's participation not specifically authorized as part of the approved gambling game or administratively approved variant, are prohibited.

e. Any other fee collected to participate in a table game is subject to the wagering tax under Iowa Code section 99F.11.

11.6(3) *Craps.*

a. Wagers must be made before the dice are thrown. Call bets are not allowed. A wager made on any bet may be removed or reduced at any time prior to a roll that decides the outcome of such wager unless the wager is a "Pass" or "Come" bet and a point has been established with respect to such bet or the wager is a proposition bet contingent on multiple rolls.

b. The shooter must make a "Pass" or "Don't Pass" bet and handle the two selected dice with one hand before throwing the dice in a simultaneous manner.

c. Each die used must be transparent.

11.6(4) *Twenty-one.*

a. Before the first card is dealt for each round of play, each player makes a wager against the dealer. Once the first card of any hand has been dealt by the dealer, a player cannot handle, remove, or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager. Once a wager on the insurance line, a wager to double down, or a wager to split pairs has been made and confirmed by the dealer, a player cannot handle, remove, or alter the wagers until a decision has been rendered and implemented with respect to that wager, except as explicitly permitted by the rules of the game. A facility or licensee must not permit any player to engage in conduct that violates this paragraph.

b. At the conclusion of a round of play, all cards still remaining on the layout must be picked up by the dealer in a prescribed order and in such a way that they can be readily arranged to indicate each player's hand in case of question or dispute. The dealer must pick up the cards beginning with those of the player to the dealer's far right and moving counterclockwise around the table. The dealer's hand will be the last hand collected. The cards will then be placed on top of the discard pile. A player or spectator cannot remove or alter any cards used to game at 21 or be permitted to do so by a casino employee.

c. Each player at the table is responsible for correctly computing the point count of the player's hand. A player should not rely on the point counts announced by the dealer without checking the accuracy of such announcement.

11.6(5) *Roulette.*

a. No person at a roulette table can be issued or permitted to game with nonvalue gaming chips that are identical in color and design to value gaming chips or to nonvalue gaming chips being used by another person at that same table.

b. Each player is responsible for the correct positioning of the player's wager on the roulette layout, regardless of whether the player is assisted by the dealer. Each player must ensure that any instructions the player gives to the dealer regarding the placement of the player's wager are correctly carried out.

c. Each wager will be settled strictly in accordance with its position on the layout when the ball falls to rest in a compartment of the wheel.

11.6(6) *Big six.*

a. Wagers must be made before the spin of the wheel.

b. Each player is responsible for the correct positioning of the player's wager on the layout, regardless of whether that player is assisted by the dealer.

c. The wheel may be spun in either direction but must complete at least three revolutions to be considered a valid spin.

d. Each wager will be settled strictly in accordance with its position on the layout when the wheel stops with the winning indicator in a compartment of the wheel. In accordance with subrule 11.3(3), the rules must include procedures addressing wheel stops that land between two compartments of the wheel. These procedures must be posted at the game.

11.6(7) *Poker.*

a. When a facility conducts poker with an imprest dealer gaming chip bank, the rules in 491—Chapter 12 for closing and distributing or removing gaming chips to or from gaming tables do not apply. The entire amount of the table rake is subject to the wagering tax under Iowa Code section 99F.11. Proposals for imprest dealer gaming chip banks must be submitted in writing and approved by a commission representative prior to use and must include at a minimum controls to regularly monitor, investigate, and report table bank variances.

b. All games must be played according to table stakes game rules as follows:

(1) Only gaming chips or coins on the table at the start of a deal are in play for that pot.

(2) Concealed gaming chips or coins will not play.

(3) A player with gaming chips may add additional gaming chips between deals, provided that the player complies with any minimum buy-in requirement.

(4) A player is never obliged to drop out of contention because of insufficient gaming chips to call the full amount of a bet but may call for the amount of gaming chips the player has on the table. The excess part of the bet made by other players is either returned to the players or used to form a side pot.

c. Each player in a poker game is required to act only in the player's own best interest. The facility has the responsibility of ensuring that any behavior designed to assist one player over another is prohibited. The facility may prohibit any two players from playing in the same game.

d. Poker games where winning wagers are paid by the facility according to specific payout odds or pay tables are permitted.

e. The facility must comply with and receive approval pursuant to subrule 11.3(3) for each type of poker game offered.

f. The facility may elect to offer a jackpot award generated from pot contributions at a table or group of tables for predesignated high-value poker hands, subject to the following requirements:

(1) Approval of the jackpot award rules must be obtained from a commission representative prior to play.

(2) Jackpot award rules and jackpot award amounts must be posted in a conspicuous location within the poker room. Jackpot award amounts must be updated no less than once per day.

(3) The facility will divide pot contributions for any single qualifying award circumstance or event into no more than three jackpot award pools.

(4) The jackpot award pool containing the highest monetary value amount must be the amount posted in the poker room and awarded to a qualifying player or players.

(5) If additional jackpot award pools are in use, the award pool containing the highest monetary value must be used to seed the primary jackpot award pool.

(6) All moneys collected as pot contributions to a jackpot award payout must be distributed in their entirety to the players; a facility cannot charge an administration fee for distribution of a jackpot award.

11.6(8) *Baccarat.* Before the first card is dealt for each round of play, each player may make a wager on the "Banker's Hand," "Player's Hand," "Tie Bet," and any proposition bet if offered. All wagers are made by placing gaming chips on the appropriate areas of the layout. Once the first card has been dealt by the dealer, a player cannot handle, remove, or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager.

11.6(9) *Preverified cards.* Cards that are verified prior to arrival at the facility may be approved by the administrator for use in table games authorized by this rule. Preverified cards may be shuffled or sequenced according to the licensee's specifications. Each manufacturer of preverified cards must request approval of its cards, pursuant to subrule 11.3(1), and is subject to the following additional requirements:

a. Each device used to verify or automate the randomization of the cards before they are shipped to a licensee must be certified by a commission-designated independent testing laboratory.

b. The manufacturer must develop and submit to the administrator a process for producing, shuffling, and packaging preverified cards that includes the following:

(1) A visual inspection of the back of each card, ensuring the cards are not flawed or marked in any way that might compromise the integrity of the gambling game.

(2) A verification that each package of cards contains the correct number of suits and cards in accordance with the commission-approved rules of the game for which the package of cards is intended for use.

(3) Insertion of the cards in a package with a tamper-evident seal that bears conspicuous indication if the package has been opened. The exterior of the package must indicate:

1. The total number of decks contained within the package.
2. The commission-authorized game for which the cards are intended for use.
3. The color of the cards within the package.

(4) Generation of a receipt in the package or a label on the sealed package to include the following information:

1. The total number of cards and decks contained within the package.
2. The date and time the cards were shuffled, verified and packaged.
3. Information sufficient to determine the specific details regarding any persons or devices involved in the production, verification or packaging of the cards.

11.6(10) *Progressive table games.* A progressive table game is a method of offering an optional progressive side bet for table games approved in accordance with this chapter. Multiple progressive tables, levels, and games may be linked together.

a. For multi-game links, each linked game must be certified by an independent testing laboratory as having the same probability of winning an offered progressive jackpot.

b. Prior to operation, a licensee must submit to a commission representative for review and approval information sufficient to determine the integrity of a progressive system. The information must include but is not limited to:

(1) Rules of the game in accordance with subrule 11.3(3).

(2) Controls and procedures governing the process of determining and verifying jackpots.

(3) Controls and procedures governing the process to pay the jackpot to the winner(s).

(4) Incrementation rates and contribution rates of the progressives the licensee intends to offer that comply with approved manufacturer rules.

c. A meter that shows the amount of the jackpot must be conspicuously displayed at each table game to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to lockups during the processing of an awarded jackpot, but meters must not display an incorrect amount for an awarded jackpot.

d. A progressive jackpot may only be removed with the administrator's prior approval and under one of the following circumstances:

(1) Cancelling the progressive upon the next award of the jackpot. Any residual incrementation amounts allocated to reseed all progressive funds must be displayed and awarded at the same time.

(2) Removing the progressive incrementation while awarding the next jackpot award in according with the payout rules the funds were collected under, including reseed amounts.

(3) An accelerated pay table approved by the administrator.

(4) In accordance with a gambling game-based tournament under rule 491—11.5(99F), where unused funds allocated for jackpot payouts are used as winnings for the tournament.

(5) Other circumstances as approved by the administrator.

11.6(11) *Wide area progressive table game systems.* A wide area progressive table game system (multilink) is a method of linking table game progressives, approved in accordance with subrule 11.4(3), by a secured data communication as part of a network that connects participating facilities. The purpose of a multilink is to offer a common progressive jackpot at all participating locations within Iowa or in multiple states. The operation of the multilink is permitted, subject to the following conditions:

a. The provider of the multilink (provider) must be an entity licensed as a manufacturer, a distributor, or an operator of gambling games within the state of Iowa or be the qualified parent company of an operator within the state of Iowa. No entity will be licensed for the sole purpose of providing a multilink.

b. Prior to operation of a multilink, the provider must submit to the administrator for review and approval information sufficient to determine the integrity and security of the multilink. The information must include but is not limited to the following:

(1) Central system site location, specifications, and operational procedures. Central site facilities must be monitored whenever the multilink is operational at any participatory licensee.

(2) Encryption and method of secured communication over the multilink and between facilities.

(3) Method and process for obtaining and updating contribution data from table games on the multilink.

(4) Jackpot contribution rates, including information sufficient to determine contributions to the jackpot are consistent across all entities participating in the multilink. Any subsequent changes to the contribution rate of a multilink jackpot must be submitted to the administrator for review and approval.

(5) Jackpot verification procedures.

c. Prior to inclusion in a multilink, a licensee must submit to a gaming representative for review and approval information sufficient to determine the integrity of the multilink processes. The information must include but is not limited to the following:

(1) Rules of the game, in accordance with subrule 11.3(3).

(2) Controls and procedures governing the process of determining and verifying jackpots on a multilinked table game.

(3) The process to report jackpots to the multilink provider.

(4) The process to pay the jackpot to the winner(s).

d. The provider of the multilink must, upon request, supply reports and information to the administrator detailing the contributions and economic activity of the system, subject to the following requirements:

(1) Aggregate and detail reports show both the economic activity of the entire multilink and details of each table game on the multilink.

(2) Upon invoicing a facility, details are supplied regarding each machine at the facility and each table game's contribution to the multilink for the period of the invoice, as well as any other details required by the administrator.

e. Concurrent jackpots that occur before the multilink jackpot meters show reset and updated jackpot amounts will be deemed to have occurred simultaneously. Each winner will receive the full amount shown on the system jackpot meter.

f. The provider must suspend play on the multilink if a communication failure of the system cannot be corrected within 24 consecutive hours.

g. A meter that shows the amount of the jackpot must be conspicuously displayed at the table games to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to delays in communication between sites and the central system, but meters must not display an incorrect amount for an awarded jackpot.

h. In calculating adjusted gross receipts, a facility may deduct only its pro rata share of the present value of any system jackpots awarded. Such deduction must be listed on the detailed accounting records supplied by the provider. A facility's pro rata share is based on the amount wagered in conjunction with the rules for that table game progressive from that facility's table games on the multilink compared to the total amount wagered in conjunction with the rules for that table game progressive on the whole system for the time period between awarded jackpots.

i. If a facility ceases operations and a progressive jackpot is awarded after the last day of the final month of operation, the facility cannot file an amended wagering tax submission or make a claim for a wagering tax refund based on its contributions to that particular progressive prize pool.

j. Any jackpot on the multilink should be paid immediately upon verification of the jackpot. The responsibility for the immediate payment rests with the facility in which the jackpot is awarded, but is subject to reimbursement requirements from the provider, in accordance with the collection procedures agreed to between the provider and the facility.

k. A reserve must be established and maintained by the provider in an amount not less than the present value of all multilink jackpots offered by the provider and the present value of one additional reset (start amount) for each multilink jackpot offered by the provider.

(1) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement mandated by this paragraph, the provider must immediately notify the administrator.

(2) On a quarterly basis, the provider must deliver to the administrator a calculation of system reserves required under this paragraph, along with a certification of financial compliance signed by a duly authorized financial officer of the provider, on a form prescribed by the administrator, validating the calculation.

l. Multilinks to be offered in conjunction with jurisdictions in other states within the United States are permitted. Multistate multilinks are subject to the requirements of this subrule; in addition, any multistate plans or controls are subject to administrator review and approval.

491—11.7(99F) Keno.

11.7(1) Keno must be conducted using an automated ticket writing and redemption system where a game's winning numbers are selected by a random number generator.

11.7(2) Each game consists of the selection of 20 numbers out of 80 possible numbers, 1 through 80.

11.7(3) For any type of wager offered, the payout must be at least 70 percent.

11.7(4) Multigame tickets are limited to 20 games.

11.7(5) Writing or voiding tickets for a game after that game has closed is prohibited.

11.7(6) All winning tickets are valid up to a maximum of one year from the date of purchase. All expired, unclaimed winning tickets are subject to the requirements in rule 491—12.11(99F).

11.7(7) The administrator may determine minimum hardware and software requirements to ensure the integrity of play. An automated keno system must be proven to accurately account for adjusted gross receipts to the satisfaction of the administrator.

11.7(8) Adjusted gross receipts from keno games will be the difference between dollar value of tickets written and dollar value of winning tickets as determined from the automated keno system. The wagering tax under Iowa Code section 99F.11 applies to adjusted gross receipts of keno games.

11.7(9) An area of a facility cannot be designated as gaming floor for the sole purpose of keno runners who accept patron wagering funds remotely from the keno game location.

491—11.8(99F) Slot machine requirements.

11.8(1) *Payout percentage.* A slot machine game must meet the following maximum and minimum theoretical percentage payouts during the expected lifetime of the game.

a. A slot machine game's theoretical payout must be at least 80 percent and no more than 100 percent of the amount wagered. The theoretical payout percentage is determined using standard methods of probability theory. Slot machine games with a bonus feature that is available with varying payouts based on the player's ability are allowed if the difference between the minimum and maximum payout for all ability-based outcomes does not exceed a 4 percent contribution to the overall theoretical payout of the slot machine game.

b. A slot machine game must have a probability of obtaining the highest single advertised payout, which must statistically occur at least once in 50 million games.

11.8(2) *Features.* Unless otherwise authorized by the administrator, each slot machine in a casino must have the following features:

a. A casino number at least two inches in height permanently imprinted, affixed, or impressed on the outside of the machine.

b. A clear description displayed on the slot machine of any merchandise or thing of value offered as a payout including the cash equivalent value of the merchandise or thing of value offered, the dates the merchandise or thing of value will be offered if the facility establishes a time limit upon initially offering the merchandise or thing of value, and the availability or unavailability to the patron of the optional cash equivalent value. A cash equivalent value must be at least 75 percent of the fair market value of the merchandise or thing of value offered.

c. Devices, equipment, features, and capabilities, as may be required by the commission, that are specific to each slot machine after the prototype model is approved by the commission.

11.8(3) *Storage media.* Hardware media devices that contain game functions or characteristics, including but not limited to pay tables and random number generators, must be approved, verified, and sealed with evidence tape by a commission representative prior to being placed in operation, as determined by the administrator.

11.8(4) *Posting of the actual aggregate payout percentage.* The actual aggregate payout percentage to the nearest one-tenth of 1 percent (0.1 percent) of all slot machine games in operation during the preceding three calendar months must be posted at the main casino entrance and cashier cages by the fifteenth day of each calendar month. For this calculation, the actual aggregate payout percentage is the slot revenue reported to the commission during the preceding three calendar months divided by the slot coin-in reported to the commission during the preceding three calendar months subtracted from 100 percent.

11.8(5) *Communication equipment.* Equipment must be installed in each slot machine that allows for communication to an online monitoring and control system accessible, with read-only access, to the commission representatives using a communications protocol provided to each licensed manufacturer by the commission for the information and control programs approved by the administrator.

11.8(6) *Meter clears.* Before clearing electronic accounting meters, a licensee must notify a commission representative. All meters recorded by a game must be retained according to the requirements in 491—subrule 5.6(13).

491—11.9(99F) Electronic gaming devices and implements of gambling.

11.9(1) *Base specifications.* Hardware and software for electronic gaming devices and implements of gambling must meet the minimum standards established by the administrator.

11.9(2) *Additional specifications.* In addition to the established standards, electronic gaming devices and implements of gambling must adhere to the following:

a. Logic boards that contain software that significantly impacts the operation of the device or that presents pay table information to the player must be in a locked compartment within the electronic gaming device. The locked compartment will require a key that is separate from the external doors of the device and is separate from any other keys required by 491—Chapter 11 or 12.

b. Access to the currency drop container and the currency storage area within an electronic gaming device must be secured by separate locks that require separate keys from any other key required by 491—Chapter 11 or 12.

11.9(3) *Previous slot machine models.* Subject to administrator approval of specific gaming devices, slot machines may be used that do not meet the requirements of this rule but have been certified under previously approved specifications by a commission-designated independent testing laboratory and maintain a current certification.

491—11.10(99F) Progressive slot machines.

11.10(1) *Meter required.* A progressive machine is a slot machine game with an award amount that increases based on a function of credits bet on the slot machine and that is awarded when a particular configuration of symbols or events is displayed on the slot machine. Random events generating awards independent of the base slot machine game and not dependent on any specific slot machine game are considered bonus features. A progressive slot machine or group of linked progressive slot machines must have a meter showing the progressive jackpot payout.

11.10(2) *Progressive controllers.* The reset or base value and the rate of increment of a progressive jackpot game must be filed with a commission representative prior to implementation. A reset or base value must equal or exceed the equivalent nonprogressive jackpot payout.

11.10(3) *Limits.* A facility may impose a limit on the progressive jackpot payout of a slot machine if the limit imposed is greater than the progressive jackpot payout at the time the limit is imposed. The facility must prominently display a notice informing the public of the limit. No progressive meter may be turned back to a lesser amount unless one of the following circumstances occurs:

a. The amount shown on the progressive meter is paid to a player as a jackpot.

b. It is necessary to adjust the progressive meter to prevent it from displaying an amount greater than the limit imposed by the facility.

c. It is necessary to change the progressive indicator because of game malfunction.

11.10(4) *Transfer of jackpots.* In the event of malfunction, replacement, or other reason approved by the administrator, a progressive jackpot that is removed must be transferred, less the reset value, to other progressive slot machine jackpots of similar progressive wager and probability at the same facility within 30 days from the removal date. If a similar progressive jackpot at the same facility is unavailable, other transfers may be allowed. A commission representative must be notified in writing prior to a removal or transfer.

11.10(5) *Records required.* Records must be maintained of the amount shown on a progressive and the amounts allocated as part of the jackpot reset or overflow to the progressive. Supporting documents must be maintained to explain any reduction in the payoff amount from a previous entry.

11.10(6) *Transfer of progressive slot machines.* A progressive slot machine, upon permission of the administrator, may be moved to a different facility if a bankruptcy, loss of license, or other good cause warrants.

11.10(7) *Linked machines.* Each machine on the link must have the same probability of winning the progressive jackpot, adjusted for the total amount wagered. The probability of winning the progressive jackpot multiplied by the maximum amount wagered must be within the maximum allowable tolerance for all games on the link. For this calculation, the maximum allowable tolerance when linked with any other game is the product of the probability of winning the progressive jackpot, adjusted for amount wagered, multiplied by:

a. One percent (0.01) for games where the probability of winning the progressive jackpot is less frequent than or equal to 1 in 100,000; or

b. Five percent (0.05) for games where the probability of winning the progressive jackpot is more frequent than 1 in 100,000.

11.10(8) *Wide area progressive systems.* A wide area progressive system (multilink) is a method of linking progressive slot machines or electronic gaming machines by secured data communication as part of a network that connects participating facilities. The purpose of a multilink is to offer a common progressive jackpot (system jackpot) at all participating locations within Iowa or in multiple states. The operation of a multilink is permitted, subject to the following conditions:

a. The provider of a multilink (provider) must be an entity licensed as a manufacturer, a distributor, or an operator of gambling games within the state of Iowa or be the qualified parent company of an operator of gambling games within the state of Iowa. No entity will be licensed for the sole purpose of providing a multilink.

b. Before operation of a multilink, the provider must submit to the administrator for review and approval information sufficient to determine the integrity and security of the multilink. The information must include but is not limited to the following:

(1) Central system site location, specifications, and operational procedures.

(2) Encryption and method of secured communication over the multilink and between facilities.

(3) Method and process for obtaining meter data from slot machines on the multilink.

(4) Disbursement options for jackpot payoffs, including information for periodic payments. Periodic payment information, including number of payments and time between payments must be displayed as part of the slot machine pay table or prominently displayed on the face of the slot machine.

(5) Jackpot contribution rates, including information sufficient to determine contributions to the jackpot are consistent across all entities participating in the multilink. Any subsequent changes to the contribution rate of a multilink jackpot must be submitted to the administrator for review and approval.

(6) Jackpot verification procedures.

(7) Jackpot discontinuation procedures, including procedures for distribution of contributions to another jackpot or return of pro rata shares to participating facilities.

c. The provider of the multilink must, upon request, supply reports and information to the administrator that detail the contributions and economic activity of the system, subject to the following requirements:

(1) Aggregate and detail reports show both the economic activity of the entire multilink and details of each machine on the multilink.

(2) Upon invoicing a facility, details are supplied regarding each machine at the facility and each machine's contribution to the multilink for the period of the invoice must be supplied, as well as any other details required by the administrator.

d. Concurrent jackpots that occur before the multilink jackpot meters show reset and updated jackpot amounts will be deemed to have occurred simultaneously. Each winner will receive the full amount shown on the system jackpot meter.

e. The provider must suspend play on the multilink if a communication failure of the system cannot be corrected within 24 consecutive hours.

f. A meter that shows the amount of the system jackpot must be conspicuously displayed at or near the machines to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to delays in communication between sites and the central system, but meters cannot display an incorrect amount for an awarded jackpot.

g. In calculating adjusted gross receipts, a facility may deduct its pro rata share of the present value of any system jackpots awarded. Such deduction must be listed on the detailed accounting records supplied by the provider. A facility's pro rata share is based on the amount of coin-in from that

facility's machines on the multilink, compared to the total amount of coin-in on the whole system for the time period between awarded jackpots.

h. If a facility ceases operations and a progressive jackpot is awarded subsequent to the last day of the final month of operation, the facility cannot file an amended wagering tax submission or make a claim for a wagering tax refund based on its contributions to that particular progressive prize pool.

i. The payment of any system jackpot offered on a multilink must be administered by the provider, and the provider has sole liability for payment of any system jackpot the provider administers.

j. The provider must comply with the following:

(1) A reserve must be established and maintained by the provider in an amount of not less than the sum of the following amounts:

1. The present value of the amount currently reflected on the jackpot meters of the multilink.
2. The present value of one additional reset (start amount) of the multilink.

(2) For system jackpots disbursed in periodic payments, a provider must fund the periodic payments within 90 days of the notice of the jackpot award with:

1. Purchase of a qualified investment. A copy of such qualified investment must be provided to the administrator within 30 days of purchase. Any qualified investment must have a surrender value at maturity, excluding any interest paid before the maturity date, equal to or greater than the value of the corresponding periodic jackpot payment and must have a maturity date prior to the date the periodic jackpot payment is required to be made;
2. A surety bond or an irrevocable letter of credit with an independent financial institution that provides periodic payments to a winner should the establishment default for any reason. The written agreement establishing a surety bond or irrevocable letter of credit must be submitted to the administrator within 30 days of purchase;
3. An irrevocable trust with an independent financial institution in accordance with a written trust agreement approved by the administrator that provides periodic payments from an unallocated pool of assets to a group of winners and that must expressly prohibit the winner from encumbering, assigning or otherwise transferring in any way the winner's right to receive the deferred portion of the winnings, except to the winner's estate. The assets of the trust must consist of federal government securities including but not limited to treasury bills, treasury bonds, savings bonds or other federally guaranteed securities in an amount sufficient to meet the periodic payments as required; or
4. Another irrevocable method of providing the periodic payments to a winning player, consistent with the purpose of this subparagraph, that is approved by the administrator prior to implementation.

(3) The provider cannot sell, trade, or otherwise dispose of any periodic payment funding unless approval to do so is first obtained from the administrator.

(4) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement, or in the event of nonpayment of a periodic payment directly by the provider, the provider must immediately notify the administrator. An event of noncompliance includes a nonpayment of a jackpot periodic payment or a circumstance that may cause the provider to be unable to fulfill, or that may otherwise impair the provider's ability to satisfy, the provider's jackpot payment obligations.

(5) On a quarterly basis, the provider must deliver to the administrator a calculation of system reserves, along with a certification of financial compliance signed by a duly authorized financial officer of the provider, on a form prescribed by the administrator, validating the calculation.

(6) On an annual basis, the provider must deliver to the administrator updated information sufficient to determine compliance with the funding requirements of all outstanding periodic payments. This report includes an updated listing of all winners, showing outstanding periodic payment amounts and any updates to funding documents and agreements, and a certification of compliance signed by a duly authorized financial officer of the provider.

(7) The reserve required under subparagraph 11.10(8)*"j"*(1) must be examined by an independent certified public accountant according to procedures approved by the administrator. Two copies of the report must be submitted to the administrator within 90 days after the conclusion of the provider's fiscal year.

(8) The administrator may require additional information or audits at any time to ensure compliance with this paragraph.

k. For system jackpots disbursed in periodic payments, subsequent to the date of the win, a winner may be offered the option to receive, in lieu of periodic payments, a discounted single cash payment in the form of a qualified prize option. The provider must calculate the single cash payment based on the discount rate. Until the new discount rate becomes effective, the discount rate selected by the provider will be used to calculate the single cash payment for all qualified prizes that occur subsequent to the date of the selected discount rate.

l. Multilinks to be offered in conjunction with jurisdictions in other states within the United States are permitted. Multistate multilinks are subject to the requirements of this subrule; in addition, any multistate plans or controls are subject to administrator review and approval.

491—11.11(99F) Licensing of manufacturers and distributors of gambling games or implements of gambling.

11.11(1) *Impact on gambling.* In considering whether a manufacturer or distributor applicant will be licensed or a specific product will be distributed, the administrator will give due consideration to the economic impact of the applicant's product, the willingness of a licensed facility to offer the product to the public, and whether the product's revenue potential warrants the investigative time and effort required to maintain effective control over the product.

11.11(2) *Licensing standards.* Standards considered when determining the qualifications of an applicant will include but not be limited to financial stability; business ability and experience; good character and reputation of the applicant as well as all directors, officers, partners, and employees; integrity of financial backers; and any effect on the Iowa economy.

11.11(3) *Application procedure.* Application for a manufacturer's or distributor's license is made to the commission for approval by the administrator. In addition to the application, the following must be completed and presented when the application is filed:

a. Disclosure of ownership interest, directors, or officers of licensees.

(1) An applicant or licensee must notify the administrator of the identity of each director, corporate officer, owner, partner, joint venture participant, trustee, or any other person who has any beneficial interest of 5 percent or more, direct or indirect, in the business entity. For any of the above, as required by the administrator, the applicant or licensee must submit background information on forms supplied by the division of criminal investigation and any other information the administrator may require.

For purposes of this rule, beneficial interest includes all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

(2) For ownership interests of less than 5 percent, the administrator may request a list of these interests. The list must include names, percentages owned, addresses, social security numbers, and dates of birth. The administrator may request the same information required of those individuals in subparagraph 11.11(3)*"a"*(1).

b. Investigative fees.

(1) Advance payment. The department of public safety may request payment of the investigative fee in advance as a condition to beginning investigation.

(2) Payment required. The administrator may withhold final action with respect to any application until all investigative fees have been paid in full.

c. A bank or cashier's check made payable to the Iowa Racing and Gaming Commission for the annual license fee set forth in Iowa Code section 99F.17(1).

d. A copy of each of the following:

(1) Articles of incorporation and certificate of incorporation, if the business entity is a corporation.

(2) Partnership agreement, if the business entity is a partnership.

(3) Trust agreement, if the business entity is a trust.

(4) Joint venture agreement, if the business entity is a joint venture.

(5) List of employees of the aforementioned who may have contact with persons within the state of Iowa.

e. A copy of each of the following types of proposed distribution agreements, where applicable:

(1) Purchase agreement(s).

(2) Lease agreement(s).

(3) Bill(s) of sale.

(4) Participation agreement(s).

f. Supplementary information. Each applicant must promptly furnish the administrator with all additional information pertaining to the application or the applicant that the administrator may require. Failure to supply the information requested within five days after the request has been received by the applicant is grounds for delaying consideration of the application.

g. Any and all changes in the applicant's legal structure, directors, officers, or the respective ownership interests must be promptly filed with the administrator.

h. The administrator may deny, suspend, or revoke the license of an applicant or licensee in which a director, corporate officer, or holder of a beneficial interest includes or involves any person or entity that would be, or is, ineligible in any respect, such as through want of character, moral fitness, financial responsibility, professional qualifications, or due to failure to meet other criteria employed by the administrator, to participate in gaming regardless of the percentage of ownership interest involved. The administrator may order the ineligible person or entity to terminate all relationships with the licensee or applicant, including divestiture of any ownership interest or beneficial interest at acquisition cost.

i. Disclosure. Disclosure of the full nature and extent of all beneficial interests may be requested by the administrator and must include the names of individuals and entities, the nature of their relationships, and the exact nature of their beneficial interest.

j. Public disclosure. Disclosure is made for the benefit of the public, and all documents pertaining to the ownership filed with the administrator will be available for public inspection.

11.11(4) *Temporary license certificates.*

a. A temporary license certificate may be issued at the discretion of the administrator and is valid for a maximum of 120 calendar days from the date of issue.

b. Failure to obtain a permanent license within the designated time may result in a fine, a suspension, or a revocation of the license eligibility.

11.11(5) *Withdrawal of application.* A written notice of withdrawal of application may be filed by an applicant at any time prior to final action. No application can be withdrawn unless the administrator determines the withdrawal to be in the public interest. No fee or other payment relating to any application will become refundable if the application is withdrawn.

11.11(6) *Recordkeeping.*

a. Record storage required. Distributors and manufacturers must maintain adequate records of business operations and make them available to the administrator upon request. These records must include:

(1) All correspondence with the administrator and other governmental agencies on the local, state, and federal level.

(2) All correspondence between the licensee and any of its customers who are applicants or licensees under Iowa Code chapter 99F.

(3) A personnel file on each employee of the licensee, including sales representatives.

(4) Financial records of all transactions with facilities and all other licensees under these regulations.

b. Record retention. The records listed in this subrule must be retained as required by 491—subrule 5.6(13).

11.11(7) *Violation of laws or regulations.* Violation of any provision of any laws of the state or of the United States of America or of any rules of the commission may constitute an unsuitable method of operation, subjecting the licensee to limiting, conditioning, restricting, revoking or suspending the license; fining the licensee; or any combination of the above.

11.11(8) *Consent to inspections, searches, and seizures.* Each manufacturer or distributor licensed under this chapter consents to inspections, searches, and seizures deemed necessary by the administrator and authorized by law to enforce licensing requirements.

These rules are intended to implement Iowa Code chapter 99F.